SUPREME COURT, U.S.
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No. 02-428

IN THE

Supreme Court of the United States

DASTAR CORPORATION,

Petitioner,

v.

TWENTIETH CENTURY FOX FILM CORPORATION, SFM ENTERTAINMENT LLC, AND NEW LINE HOME VIDEO, INC.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether the Ninth Circuit correctly held that petitioner's "bodily appropriation" of respondents' video documentary series was likely to cause confusion.

2. Whether section 35(a) of the Lanham Act authorized an award of double petitioner's profits where the district court found that petitioner had committed a willful violation, respondents had suffered actual damages, and that it needed to deter future violations.

PARTIES TO THE CASE

The petitioner, appellant below, is Dastar Corporation, referred to herein as "Dastar." The respondents, appellees below, are Twentieth Century Fox Film Corporation, SFM Entertainment LLC, and New Line Home Video, Inc., referred to herein as "Fox," "SFM," and "New Line," respectively.

Pursuant to this Court's Rule 29.6, Fox states that it is a wholly owned subsidiary of Fox Entertainment Group, Inc., which is a partially owned subsidiary of the News Corporation Limited. Fox Entertainment Group, Inc. has issued approximately 20% of its shares to the public. New Line is a wholly owned subsidiary of New Line Cinema Corporation, which is a wholly owned subsidiary of Turner Broadcasting System, Inc., which is a wholly owned subsidiary of AOL Time Warner, Inc. SFM has no parent company and no publicly held company owns more than 10% of its stock.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED i

PARTIES TO THE CASE ii

TABLE OF AUTHORITIES v

INTRODUCTION 1

STATEMENT OF THE CASE 2

A. Statutory Background 2

B. Background of the Case 5

C. Proceedings Below 6

a. District Court 6

b. Court of Appeals 9

REASONS FOR DENYING THE PETITION 9

I. THE FIRST QUESTION PRESENTED MISSTATES THE LAW OF THE NINTH CIRCUIT AND RAISES NO CIRCUIT SPLIT WHOSE RESOLUTION WOULD BENEFIT PETITIONER 11

A. The Ninth Circuit Requires Plaintiffs To Show A Likelihood Of Confusion To Establish "Reverse Passing Off" Under The Lanham Act 12

B. The "Bodily Appropriation" Requirement Presents No Conflict Worthy of Review 14

1. Any Difference Between The "Bodily Appropriation" And "Substantial Similarity" Tests Has Minimal Practical Consequences, And Its Resolution Will Not Change The Outcome Of This Case 15

TABLE OF CONTENTS
(continued)

Page

2. There Is No Conflict About The Likelihood Of Confusion 16

II. THE SECOND QUESTION PRESENTED RAISES NO CONFLICT AND RESTS ON A MISTAKEN VIEW OF THE DISTRICT COURT'S DECISION 17

III. THE PETITION RAISES NO CONSTITUTIONAL CONCERNS 20

CONCLUSION 23

TABLE OF AUTHORITIES

Page(s)

CASES

ALPO Petfoods, Inc. v. Ralston Purina, Co.,
913 F.2d 958 (D.C. Cir. 1990) 18

Cleary v. News Corp.,
30 F.3d 1255 (9th Cir. 1994) 4, 12, 15, 16, 22

Jurgens v. McKasy,
927 F.2d 1552 (Fed. Cir. 1991) 19

LaMothe v. Atlantic Recording Corp.,
847 F.2d 14043 (9th Cir. 1988) 13, 17, 22

Metric & Multistandard Components Corp. v. Metric's, Inc.,
635 F.2d 710, 715 (8th Cir. 1980) 18

Shaw v. Lindheim,
919 F.2d 1353 (9th Cir. 1990) 4, 13

Smith v. Montoro,
648 F.2d 602 (9th Cir. 1981) 13, 21

Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.,
7 F.3d 1434 (9th Cir. 1993) 12, 16

Waldman Publ'g Corp. v. Landoll, Inc.,
43 F.3d 775 (2d Cir. 1994) 12

STATUTES

15 U.S.C. § 1117 ..... 4, 8

15 U.S.C. § 1125 ..... *passim*

TABLE OF AUTHORITIES
(continued)

Page(s)

OTHER AUTHORITIES

4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* (2002) 3, 22

Restatement (Third) of Unfair Competition (1995) 2, 3

INTRODUCTION

This case arises from garden-variety commercial misrepresentations about the origin and authorship of *Campaigns in Europe* ("*Campaigns*"), a seven-hour, multi-volume video series marketed by petitioner Dastar Corporation ("Dastar"). To produce *Campaigns*, Dastar copied *Crusade in Europe*, a television series based on General Dwight D. Eisenhower's 1948 book of the same title, making only minor changes designed to conceal the contributions of the original creators. Although Fox had produced the original television series and respondents had collectively produced and distributed a multi-volume video version of the series, Dastar provided no indication of their role; indeed, *Campaigns* intentionally omitted any elements of the original that indicated its true source. Instead, Dastar changed the title and listed itself and its employees as the sole creators of *Campaigns*, subjecting consumers to two forms of confusion. First, consumers had no way of knowing that the entire seven-hour, multi-volume video set they were purchasing was virtually identical to respondent's multi-volume video set, which they might already have purchased. Second, consumers were likely to believe that petitioner, rather than respondents, was responsible for the creation and distribution of the acclaimed video documentary series. Applying long settled, uncontroversial principles of unfair competition law under the Lanham Act, the district court found that Dastar had falsely taken credit for creating *Campaigns*, in a manner likely to confuse consumers and to harm respondents, and the Ninth Circuit affirmed in an unpublished opinion.

There is no reason for this Court to review that finding, which turns on basic factual judgments about the parties' products and petitioner's representations. Though petitioner strives to identify conflicts among the courts of appeals, the opinions below and the surrounding case law make clear that, like all other courts of appeals, the Ninth Circuit recog-

nizes that likely consumer confusion is an element of a claim for "reverse passing off" under the Lanham Act. The petition also presents no conflict whose resolution could benefit petitioner. The conclusion of the courts below that petitioner's willful "bodily appropriation" was likely to cause confusion was a straightforward one, and the petition seeks little more than review of that fact-bound determination. Nor is there anything exceptional in the affirmance of an award of double profits in a case involving willful infringement and actual damages. Finally, though petitioner suggests that application of the reverse passing off doctrine to creative works may threaten the free use and reproduction of materials in the public domain, this case presents no such concerns. Whatever close questions might arise in cases of misattribution or non-attribution at the margins, this was not such a case. Petitioner's misrepresentation was complete, willful, and detrimental to consumers, who had no way of knowing that *Campaigns* was merely *Crusade* in a new packag[illegible] This case does not warrant this Court's attention.

STATEMENT OF THE CASE

A. Statutory Background.

Reverse passing off claims are not a recent judicial creation. A fundamental goal of the law of unfair competition is to prevent "deceptive marketing." Restatement (Third) of Unfair Competition § 1 (1995) ("Restatement"). To accomplish this goal, the law prohibits those who market goods and services from making representations about their products, services, and activities that are "likely to deceive or mislead prospective purchasers to the likely commercial detriment of another." *Id.* § 2. In a "specific application" of these "general principles," unfair competition law prohibits a party from claiming to have created goods in fact produced by another; that is, the form of misrepresentation sometimes called "reverse passing off." *Id.* § 5 cmt. a. Thus, a party marketing goods or services manufactured, produced or supplied by another may not make a represen[illegible]ation "likely to deceive or mislead prospective purchasers by causing the mistaken belief that the actor or a third person is the manufacturer, producer, or supplier of the goods or services if the representation is to the likely commercial detriment of the other." *Id.* § 5. This prohibition prevents the seller from falsely taking credit for the manufacturer's work and unfairly benefiting from advertising value and goodwill generated by the manufacturer's efforts. *Id.* § 5 cmt. a.

Section 43(a) of the Lanham Act codifies these rules and principles in federal law by prohibiting misleading misrepresentations about goods and services. Specifically, it authorizes an action against any person who, in connection with goods and services, uses "any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, [or] false or misleading description [or representation] of fact" that "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services or commercial activities by another person." 15 U.S.C. § 1125(a)(1)(A). Section 43(a) confers standing on "any person who believes that he or she is likely to be damaged by such act." *Id.* § 1125(a)(1)(B).

Applying this broad language, courts have routinely found violations of section 43(a) in cases of "reverse passing off," that is, the "false representation that a product is created, designed, or authorized by someone other than the true creator." 4 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* §§ 25:6, 27:75 (2002) ("*McCarthy*"). Courts have applied the same rule when the product in question is, like the video series at issue here, a creative one. *Id.* §§ 27:81, 27:84, 27:85. Reverse passing off claims flow directly from the language of section 43(a),

for a false claim of authorship is likely to deceive purchasers, by fostering the erroneous belief that the seller has the skills and capacities of the original creator. The true creator is "likely to be damaged," 15 U.S.C. § 1125(a)(1)(B), by such misrepresentations because he or she will lose the goodwill and advertising value that ordinarily flow from the acknowledgement as the creator of a quality product.

The Ninth Circuit has adopted a "rigorous test for proving 'reverse passing off' under the Lanham Act," *Cleary v. News Corp.*, 30 F.3d 1255, 1261 (9th Cir. 1994), holding that a party selling the product of another is likely to cause consumer confusion, and therefore violate the Lanham Act, only if its product is a "bodily appropriation" of the other product. *Shaw v. Lindheim*, 919 F.2d 1353, 1364 (9th Cir. 1990). Thus, a plaintiff in the Ninth Circuit may not establish reverse passing off under section 43(a) by showing that defendant has falsely claimed credit for a "similar" product; rather, the product in question must amount to a copy of "substantially the entire item." *Cleary*, 30 F.3d at 1261 (internal quotation marks and citation omitted). In addition, a plaintiff in the Ninth Circuit must show a "misattribution" of credit for his or her work. *Id.* at 1260.

If a plaintiff prevails in an action under section 43(a), the Lanham Act authorizes the court, subject to the principles of equity, to award "(1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action." 15 U.S.C. § 1117(a). In determining damages, the "court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount." *Id.* Upon a finding that "recovery based upon profits is either inadequate or excessive," the court has discretion to "enter judgment for such amount as the court shall find to be just." *Id.* An award of profits or damages "shall constitute compensation and not a penalty." *Id.*

B. Background of the Case.[1]

Doubleday published *Crusade in Europe* (the "Book"), General Eisenhower's "personal story of World War II," Pet. App. 46a,[2] on November 22, 1948, after excerpts had appeared in *The New York Herald Tribune*. *Id.* at 43a. Doubleday obtained certificates of registration for the copyrights to the Book and the *Herald Tribune* excerpts; these certificates listed Doubleday as the copyright claimant. *Id.* In 1975, Doubleday renewed the copyrights as the "proprietor of a work made for hire." *Id.*

In 1948, Doubleday granted the exclusive television rights in the Book to Twentieth Century Fox Television Productions, Inc. *Id.* Peter Levathes, Vice President of Fox Television, arranged and oversaw the production of a television series based on the Book and also entitled *Crusade In Europe* (the "Series"). *Id.*

In 1988, Fox reacquired from Doubleday the television rights in the Book, including the right to distribute the Series on videocassettes. *Id.* Fox granted to respondent SFM Entertainment ("SFM") the right to act as its exclusive sales agent and distributor of the Series in all media, including video. *Id.* at 44a. SFM granted the exclusive right to distribute the Series to Embassy Home Video, predecessor in interest to respondent New Line Home Video ("New Line"). *Id.* SFM located and restored the negatives of the Series, at a cost of $75,000, and then made a "direct reproduction" of the Series for distribution on video. *Id.* The resulting video series, entitled *Crusade in Europe* (the "Videos"), included in its credits New Line, SFM, "A March of Time Production By Arrangement with 20th Century Fox," and "Eisenhower's

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[1] The facts set forth in this section were undisputed on the parties' cross-motions for summary judgment.

[2] The abbreviations "Pet." and "Pet. App." refer to the petition for certiorari and its appendix, respectively.

Crusade in Europe Based on the Book by Dwight D. Eisenhower." *Id.*

Dastar began producing videos in 1995. For its first video, Lenny Tarter, Dastar's director of video acquisitions, and Norman Anderson, Dastar's President, decided to copy the Series, which they remembered watching as youths and thought would sell well on the 50th anniversary of the end of World War II. To create *Campaigns*, Tarter purchased eight beta cam tapes of the Series, and copied them in their entirety. *Id.* at 45a. Tarter took the Series' entire footage, narration, and music and made only the following minor changes. He substituted a new opening title sequence, credit page, new chapter title sequences corresponding to the 26 episodes in the Series and Videos, and final closing; deleted all footage of the Book's image; added music; and moved the Series' recap to the beginning. *Id.* Petitioners did nothing else to alter the Series. The credits for *Campaigns* identify Anderson as executive producer, Tarter as producer, and Barbara Kaye (Tarter's assistant) as associate producer.

C. Proceedings Below.

a. District Court

In September 1998, respondents brought this action under the Copyright Act, alleging that petitioner's sale of copies of respondents' Videos, slightly modified and renamed as *Campaigns*, infringed their exclusive right to distribute videos based on the Book. In March 1999, respondents filed an amended complaint, claiming that by falsely crediting itself, rather than respondents, as the producer of the Videos, petitioner had engaged in "reverse passing off" under the Lanham Act and unfair competition under California law.[3]

[3] Petitioner filed various counterclaims, the dismissal of which it has not challenged in this Court.

On cross-motions for summary judgment, the district court ruled in favor of respondents on their copyright claim. Concluding that Eisenhower wrote the Book as a "work for hire," the court held that Doubleday properly renewed the copyright in the Book in 1975, and that respondents had the exclusive right to make and distribute videos based upon it. *Id.* at 47a-49a. In light of petitioner's admission that it had copied the Series, and the "ample" evidence that the Series and *Campaigns* contained "significant" portions of the Book, the district court held that petitioner had infringed respondents' exclusive copyright license. *Id.* at 50a.

The district court also found that the undisputed facts established reverse passing off in violation of the Lanham Act as a matter of law. The court held that, except for "minor changes," petitioner had copied "substantially all of the television series" to create *Campaigns*, yet credited only itself as producer. *Id.* at 52a-53a. The court concluded that petitioner's "failure to identify the television series and the Book is misleading to the public" because it "gives the false impression that the series contains only the work of those listed in the credits even though the television series was produced by Fox and Time and significant portions of the Book are used verbatim." *Id.*

Turning to respondents' claim for unfair competition under California law, the district court observed that the "ultimate test" for both that claim and the Lanham Act reverse passing off claim is "'whether the public is likely to be deceived or confused.'" *Id.* at 54a (quoting *Cleary*, 30 F.3d at 1262-63). As a result, the court concluded that its "finding that [petitioner's] actions are misleading under the Lanham Act controls the resolution of the unfair competition claim," *Id.* at 54a, and granted summary judgment in favor of respondents.

Following a bench trial on remedies, the district court resolved respondents' claims for relief. In rulings that Dastar

has not challenged in this petition, the district court held that petitioner's copyright infringement and Lanham Act violation were willful. *Id.* at 24a-26a. The court found the petitioner's conduct "willful" under the Lanham Act because Dastar "knew that the work [it] misappropriated was created by someone else, [but] still took credit," because Dastar "could easily have discovered who was responsible for the *Crusade* Series with even a minimal amount of effort," and because it "continued to sell *Campaigns* even after obtaining the *Crusade* Series' credit list and after [respondents] had alleged their claims for reverse passing off." *Id.* at 26a.

The district court also held that petitioner's willful reverse passing off had caused respondents actual damages for which they were entitled to recover. Observing that because respondents had contributed to the creation and distribution of the Videos, the court concluded that they would have benefited "from being associated with and viewed as responsible for the misappropriated work," and thus "lost valuable goodwill when a purchaser of *Campaigns* was led to believe by [petitioner's] false attribution that it was produced by [petitioner] (rather than [respondents])." *Id.* Moreover, as *Campaigns* was a "virtual duplicate" of the Videos, the court found that it "appeals to the same audience" and "therefore not only cost [respondents'] valuable goodwill, but also sales." *Id.*

In addition to actual damages, the district court held that respondents were entitled to petitioner's profits "under the equitable theory of unjust enrichment based on [their] willful Lanham Act infringement." *Id.* The court calculated petitioner's profits by deducting $91,244.35 in documented costs from *Campaigns'* $874,851.78 gross revenues, *id.* at 22a-24a, resulting in a figure of $783,606.83. *Id.* at 27a. Noting that 15 U.S.C. §1717(a) provides authority to increase the award of profits in order to deter future infringing conduct, the district court deemed "[a]n award of double damages [] particularly appropriate here because . . . [the] infringement was willful." *Id.* Accordingly, the court entered judgment for $1,567,213.66 under the Lanham Act. *Id.*

b. Court of Appeals

In an unpublished *per curiam* opinion, the court of appeals affirmed in part and reversed in part. On the copyright claim, the court of appeals found that there was a triable issue of fact about whether the Book was a work for hire, and remanded for trial on that issue. *Id.* at 3a. The court of appeals affirmed the grant of summary judgment on the Lanham Act claim. The court found that by copying "substantially the entire *Crusade in Europe* series created by Fox," making only "minimal changes," and labeling the "resulting product with a different name and market[ing] it without attribution to Fox," petitioner "committed a 'bodily appropriation' of Fox's series." *Id.* Recognizing that its "bodily appropriation test subsumes the less demanding consumer confusion standard," the court of appeals rejected petitioner's argument that respondents had to "make an independent showing" that their product "resulted in consumer confusion." *Id.* at 3a-4a (internal quotation marks and citation omitted).

The court of appeals also affirmed the district court's monetary award. Concluding that the finding of willful infringement was not clearly erroneous, the court of appeals held that the award of profits was appropriate. *Id.* at 4. Because the district court considered the circumstances of the case and doubled the award in order to deter future infringing conduct, the court of appeals deemed the award permissible. *Id.*

REASONS FOR DENYING THE PETITION

In an effort to create issues worthy of review, petitioner mischaracterizes the facts of this case, the factual findings

and legal conclusions of the courts below, and the surrounding law. First, contrary to the premise of petitioner's first question presented, the court of appeals did not hold that the Lanham Act provides a remedy without a showing of consumer confusion. Like every other court of appeals that has addressed the issue, the Ninth Circuit has made clear that a plaintiff may establish a claim for "reverse passing off" under the section 43(a) of the Lanham Act only by showing that the defendant's conduct is likely to cause consumer confusion. Indeed, the Ninth Circuit has fashioned a test that is particularly favorable to defendants; such misrepresentations are likely to cause confusion, and therefore actionable, only if they concern a work so similar to the plaintiff's work that it is a "bodily appropriation" of that product. Nor has the Ninth Circuit established a rule that "bodily appropriation" inevitably requires a finding of likely confusion, as petitioner contends. Thus, the allegedly different standards applied by other courts do not present a real conflict, and petitioner would not prevail under any less stringent standard articulated by other courts.

Nor is there a conflict among the courts of appeals on the question whether a court may increase an award of profits under the Lanham Act for deterrent purposes alone. The cases cited by petitioner to construct this alleged conflict are distinguishable, and do not present a different statement of the law. Moreover, even if such a conflict existed, this case would not be the proper occasion to address it, for the district court appears to have entered its award not only for deterrent purposes, but also to compensate respondents for their lost good will, advertising, and sales – which are hard to quantify – and to prevent the unjust enrichment of petitioner.

Finally, contrary to petitioner's suggestion, this run-of-the-mill Lanham Act case does not threaten to limit access to creative works in the public domain. Petitioner's overstated claims rest on basic mischaracterizations of the record and

the law. The undisputed facts revealed that petitioner copied substantially all of a seven-hour video series created by respondents, made "minor changes," and substituted its name for those of respondents, thereby holding itself out as the creator of the Videos. As a result, a consumer who had already seen or purchased the correctly labeled *Crusade* series would not realize that *Campaigns* was virtually identical to what he or she had already seen or purchased. This action addresses that obvious misrepresentation, and in no way implicates any broader questions about the First Amendment and the duration of copyright.

I. THE FIRST QUESTION PRESENTED MISSTATES THE LAW OF THE NINTH CIRCUIT AND RAISES NO CIRCUIT SPLIT WHOSE RESOLUTION WOULD BENEFIT PETITIONER.

The petition begins with the erroneous suggestion that the Ninth Circuit's "bodily appropriation" standard permits liability for reverse passing off under section 43(a) without a likelihood of consumer confusion. Pet. i. But as the court of appeals recognized in this case, its ""bodily appropriation' test subsumes the 'less demanding "consumer confusion" standard.'" Pet. App. 4a (citation omitted). With the clarification of that mistake, it becomes clear that this petition does not present any conflict of substance. In keeping with the express language of the Lanham Act, all courts of appeals require a showing of likelihood of confusion to prove reverse passing off. Any differences in their opinions arise from the application of that common standard to different factual circumstances.

Addressing reverse passing off claims under section 43(a), the Second Circuit has held that misrepresentations about the source of a defendant's product are capable of causing confusion even if that product is merely "substantially similar" to plaintiff's product. *See Waldman Publ'g*

Corp. v. Landoll, Inc., 43 F.3d 775, 784 (2d Cir. 1994). The Ninth Circuit has held that reverse passing off is likely to cause confusion, and therefore actionable under section 43(a), only if the defendant's product is a "bodily appropriation" of the plaintiff's. Although the Second and Ninth Circuits apparently regard the latter approach as more "demanding" for a plaintiff, they share the same underlying rationale – the belief that misrepresentations about the origins of products are likely to deceive consumers only if those products are sufficiently similar. Cases decided by the courts do not show that the difference in formulation is likely to produce different results in the ordinary run of cases. In any event, resolution of any difference between these circuits will not benefit petitioner, whose conduct was egregious and clearcut. If respondents prevailed under the Ninth Circuit's stringent test, the adoption of a more lenient rule would not produce a different result.

A. The Ninth Circuit Requires Plaintiffs To Show A Likelihood Of Confusion To Establish "Reverse Passing Off" Under The Lanham Act.

Consistent with the express language of section 43(a) and the views of other courts of appeals, the Ninth Circuit has long held that likely consumer confusion is an essential element of "reverse passing off" under the Lanham Act. For example, in *Cleary*, 30 F.3d at 1261, the court explained that the "bodily appropriation" standard is appropriate under the Lanham Act because it "recognizes that slight modifications of a product might cause customer confusion, while products which are merely generally similar will not." In the same case, the court upheld the dismissal of state law unfair competition claims, whose "ultimate test" was "whether the public is likely to be deceived or confused," because those claims were "substantially congruent" to the Lanham Act claims. *Id.* at 1262-63 (internal quotation marks and citation omitted). *See also Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc.*, 7 F.3d 1434, 1439 (9th Cir. 1993) (affirming

dismissal of reverse passing off claim because "[i]n light of the conceded differences between the [products], the likelihood [they] will be confused is minimal"); *Shaw*, 919 F.2d at 1364 (noting that the purpose of a reverse passing off claim under the Lanham Act is to "prevent[] individuals from *misleading the public* by placing their competitors' work forward as their own") (emphasis added); *LaMothe v. Atlantic Recording Corp.*, 847 F.2d 14043, 1408 (9th Cir. 1988) (sustaining claim of reverse passing off based on partial attribution of authorship because "incomplete designation of the source of the good or service is no less misleading because it is partially correct"); *Smith v. Montoro*, 648 F.2d 602, 607 (9th Cir. 1981) (reverse passing off violates the Lanham Act because the "ultimate purchaser (or viewer) is also deprived of knowing the true source of the product and may even be deceived into believing that it comes from a different source").

The courts below applied the same standard, and their rulings rested on the clear understanding that petitioner's representations about its product were likely to cause confusion. The district court explicitly found that petitioner's "failure to identify the television series and the book is misleading to the public" and that it created "the false impression that the series contains only the work of those listed in the credits." Pet. App. 53a. The court also described its opinion as concluding that "the two video series are similar enough to cause confusion." *Id.* n.5. Finally, in granting summary judgment on respondents' state law claims, the district court recognized that the "ultimate test" under both the Lanham Act and the state law is "whether the public is likely to be deceived or confused," and held that its prior finding that petitioner's "actions are misleading under the Lanham Act controls the resolution of the unfair competition claim." *Id.* at 54a (citation omitted). Similarly, the court of appeals acknowledged that the "bodily appropriation" test necessarily encompasses "consumer confusion." *Id.* at 3a-4a.

B. The "Bodily Appropriation" Requirement Presents No Conflict Worthy of Review.

Despite the Ninth Circuit's clear rule that a section 43(a) claim for reverse passing off requires a showing of likely consumer confusion, petitioner contends that the Ninth Circuit's view that there can be no such confusion without "bodily appropriation" creates two separate conflicts with other courts of appeals. First, petitioner argues that this approach conflicts with that of the Second Circuit, which permits reverse passing off claims under section 43(a) if there is merely a "substantial similarity" between the goods of the plaintiff and the defendant. Pet. 9 (citing *Waldman*, 43 F.3d at 784). Second, petitioner claims that the Ninth Circuit uses "bodily appropriation" as a "proxy" for likely consumer confusion, and that this approach conflicts with other courts of appeals. Pet. 10.

Though the first asserted conflict identifies a difference in the ways in which the Second and Ninth Circuits assess the evidence of confusion, resolution of this difference will not benefit petitioner. Having satisfied the Ninth Circuit's more stringent "bodily appropriation test," respondents would necessarily prevail under the Second Circuit's "substantial similarity" test as well. Moreover, case law does not suggest that this difference is likely to generate divergent outcomes. Petitioner's second asserted conflict is entirely illusory. As noted above, the Ninth Circuit has long recognized that a reverse passing off under the Lanham Act requires likely consumer confusion. The required showing of "bodily appropriation" is necessary to a successful claim, but the Ninth Circuit has never laid down the rule that such a showing, without more, is sufficient to establish a likelihood of confusion. The cases cited by petitioner do not demonstrate any real conflict; rather, they present fact-bound analyses of the likelihood of confusion in particular cases.

1. Any Difference Between The "Bodily Appropriation" And "Substantial Similarity" Tests Has Minimal Practical Consequences, And Its Resolution Will Not Change The Outcome Of This Case.

Although the Second and Ninth Circuit have different views of how to consider the evidence needed to show likely confusion in reverse passing off claims under the Lanham Act, petitioner would not prevail in either court. Nor has petitioner established that any difference in the approaches will produce divergent results in an appreciable number of cases.

Having produced uncontroverted evidence sufficient to convince the courts below that *Campaigns* is a "bodily appropriation" of the Videos, and that petitioner's "failure to identify the television series and the book is misleading to the public" because it creates "the false impression that the series contains only the work of those listed in the credits," Pet. App. 53a, respondents would necessarily have also prevailed under the Second Circuit's "substantial similarity" test. *Cleary* defines "bodily appropriation" as the "copying or unauthorized use of substantially the entire item." 30 F.3d at 1261. Thus, by definition, a work that bodily appropriates another is also "substantially similar" to that work. Since petitioner copied almost the entire seven hours of *Campaigns* from the Series, with only "minor changes," any difference between the Ninth and Second Circuits is entirely academic to petitioner, and this case therefore presents a poor vehicle for review by this Court.

Nor is it obvious that the difference between "bodily appropriation" and "substantially similarity" would affect the ultimate result in any appreciable number of other cases. Plaintiffs who show "substantial similarity" must still prove likelihood of confusion, and external factors and the differences in their products will often make it difficult for them to do so. For example, in *Cleary*, the Ninth Circuit noted that the plaintiff's claim would have failed under the substantial

similarity test, for the audience for his book was sophisticated and his past contribution to the product was mentioned, negating the inference of consumer confusion. 30 F.3d at 1262. Similarly, in *Summit*, a case purportedly applying the "bodily appropriation" test, the Ninth Circuit affirmed the rejection of a reverse passing off claim because the district court had found that the parties' products were not "substantially similar," 7 F.3d at 1437, and indeed were "substantially different." *Id.* at 1438. Thus, though the difference between the circuits may produce some divergent results, the extent and frequency of such dispositive differences is unclear. Any difference is therefore not pressing; if this Court wishes to address the question, it should do so in a case in which its ruling will affect the outcome.

2. There Is No Conflict About The Likelihood Of Confusion.

Because the courts of appeals unanimously agree that reverse passing off under the Lanham Act requires a showing of likely consumer confusion, and because there is no material difference in the evidence the courts demand for such a showing, petitioner attempts to concoct a conflict worthy of this Court's attention by suggesting that a finding of bodily appropriation alone is invariably sufficient to establish reverse passing off in the Ninth Circuit. Pet. 11-12. But that is not what the court of appeals held in its unpublished decision, nor is it the law in the Ninth Circuit.

Petitioner derives its implausible reading of Ninth Circuit law from the court's failure in its unpublished *per curiam* opinion to recite and apply all the factors traditionally considered in the likelihood of confusion analysis. In light of the evidence and arguments presented by the parties and the district court's conclusions, that omission is unsurprising. The finding of likely confusion rested on undisputed evidence that petitioner made a substantially identical copy of the Series and identified persons other than respondents as

the creators of its product. This finding received further support from the willfulness of petitioner's appropriation and the evidence of shared consumers. Pet. App. 18a. Moreover, petitioner devoted all its efforts in the courts below to the argument that *Campaigns* was not a bodily appropriation of the Videos, and offered no evidence suggesting a lack of customer confusion. With such a strong record of likely confusion, and petitioner's failure to point to any facts contradicting that conclusion, it would be a mistake to read the Ninth Circuit's brief, unpublished opinion as creating a new rule that "bodily appropriation," without more, can establish likely confusion. To the contrary, "bodily appropriation" is merely a tool to see if confusion is likely.

In published opinions, the Ninth Circuit has gone beyond the mere fact of a "bodily appropriation" to inquire whether the defendant's representations about the appropriated product are likely, in context, to cause confusion. In *LaMothe*, it was undisputed that the defendants had sold an exact copy of plaintiffs' song, but the court did not end its inquiry with the fact of complete copying. Instead, the court went on to consider whether the false statement – attributing authorship of the song to only one of its three authors – was misleading to consumers. 847 F.2d at 1407-08. Nothing in any opinion of the Ninth Circuit suggests that bodily appropriation obviates the need to find likely consumer confusion.

In short, the courts of appeals fundamentally agree that likelihood of confusion controls the analysis of reverse passing off under the Lanham Act. This case presents no question or conflict appropriate for this Court's review.

II. THE SECOND QUESTION PRESENTED RAISES NO CONFLICT AND RESTS ON A MISTAKEN VIEW OF THE DISTRICT COURT'S DECISION.

Petitioner also argues that the courts of appeals disagree about whether a court may award and increase profits under

the Lanham Act "solely" for deterrent purposes. Pet. 19-20. There is no such conflict, and in any event the record suggests that the district court did not award and double profits "solely" for deterrent purposes.

1. Petitioner recognizes that several circuits follow the Ninth Circuit in approving the enhancement of an award of profits under the Lanham Act in order to deter infringement. Pet. 19-20. The cases from other circuits cited by petitioner do not apply a different rule. In *ALPO Petfoods, Inc. v. Ralston Purina, Co.*, 913 F.2d 958 (D.C. Cir. 1990), the district court had awarded profits without a showing of willful infringement. The court of appeals reversed, holding that "an award based upon defendant's profits requires proof that the defendant acted willfully or in bad faith." *Id.* at 968. Seeking to sustain its award, plaintiff argued that deterrence justified the award. The court of appeals rejected this argument, holding that "deterrence *alone* cannot justify such an award." *Id.* at 969. In doing so, the D.C. Circuit did not suggest that deterrence was an improper basis for an award when combined with willful infringement. Unlike the plaintiff in *ALPO*, respondents established that petitioner committed willful infringement. In light of that distinction, *ALPO* presents no conflict with this case.

Petitioner's reliance on *Metric & Multistandard Components Corp. v. Metric's, Inc.*, 635 F.2d 710, 715 (8th Cir. 1980), is equally misplaced. There, in remanding for the district court to determine damages, the Eighth Circuit gave general guidance on section 35(a) of the Lanham Act. Divorced from any concrete factual scenario, it recited the text of the statute and commented that the district court has "broad discretion to award the monetary relief necessary to serve the interests of justice, provided it does not award such relief as a penalty." *Id.* But the court did not address, or begin to answer, the question whether an award responding to willful infringement and designed to deter future infringement would qualify as a "penalty." Nor has the Eighth Circuit spoken on that question in the intervening twenty years. Accordingly, *Metric* can scarcely create a conflict on the question whether a deterrent award qualified as a "penalty."

Jurgens v. McKasy, 927 F.2d 1552 (Fed. Cir. 1991), also fails to establish any conflict among the courts of appeals. In a case applying the law of the Eighth Circuit, the Federal Circuit cited that court's unelaborated statement in *Metric* that an award may not be a "penalty," and reversed the trebling of a Lanham Act damage award that the district court had described as "fully satisfy[ying] any *punitive or deterrent purpose*." *Id.* at 1564 (emphasis added). In light of that language, the Federal Circuit concluded that the "district court increased the jury damage award 'as a penalty,'" despite the Eighth Circuit's statement that an award may not be a "penalty." *Id.* But the explicit reference to *punitive* as well as deterrent purposes makes clear that the Federal Circuit did not take any position on an award increased "solely" for deterrent purposes. Moreover, even if the Federal Circuit had adopted the extreme holding suggested by petitioner, the one-time pronouncement of that court about the views of the Eighth Circuit would scarcely create a conflict.

2. As the foregoing discussion makes clear, the cases cited by petitioner reveal no circuit conflict on the propriety of an award entered "solely" for deterrent purposes. But even if such a conflict did exist, this petition would not present the proper case in which to address it. The record indicates that the district court entered the award not only for deterrent purposes, but also to compensate the defendant for actual damages. In calculating its monetary award, the district court began by noting that respondents had suffered actual damages through lost advertising value, lost goodwill, and also actual lost sales. Pet. App. 25a-26a. But the court then proceeded immediately to petitioner's profits, without attaching any dollar value to respondents' actual damages.

The court awarded and doubled profits to prevent unjust enrichment, to account for petitioner's willful conduct, and to deter future infringing conduct. *Id.* at 26a-27a. The district court's failure to attach a specific dollar amount to the substantial actual damages identified at the outset suggests that its final award reflected the intention to compensate respondents for those damages. Accordingly, there is substantial reason to doubt that the doubling of profits rested "solely" on deterrent purposes.

The petition for review of the damages award rests on an erroneous reading of the cited cases and a misunderstanding of the district court's reasons for its award. Upon clarification of those errors, the premises of the petition collapse. There is no circuit conflict to resolve, and the award did not rest only on deterrent purposes. The petition should be denied.

III. THE PETITION RAISES NO CONSTITUTIONAL CONCERNS.

In the absence of a real circuit split whose resolution could affect the outcome of this case, petitioner ultimately falls back on a general attack on the application of the reverse passing off doctrine to creative works. Petitioner suggests that parties wishing to market works in the public domain will not know the extent of attribution needed to avoid liability under the Lanham Act, and that this uncertainty will have a "chilling effect" upon copying. Pet. 14. Petitioner is wrong. An action for reverse passing off protects important, clearly defined interests, and the courts' current application of the Lanham Act provides clear guidance for those who wish to market public domain materials.[4]

[4] Petitioner's arguments suggest that this lawsuit turns entirely on works undisputedly within the public domain. Of course, while the copyright to the *Crusade* video documentary was not renewed, one of respondents' central claims is that the Book remains protected by a valid copyright, and that petitioner infringed their exclusive copyright license. Indeed, the district court originally found in favor of respondents on this point. Pet. App. 50a. After remand from the Ninth Circuit, the district court held a trial to determine whether the Book was in fact a work-for-hire, as stated in the copyright renewal filed 25 years ago, and thus still protected by copyright. Until the district court rules on that issue, and its ruling becomes final after any appellate review, it will remain disputed whether portions of the *Crusade* videos using the underlying Book are in the public domain. The interlocutory posture of the case provides additional reason to deny review.

Petitioner does not claim that the reverse passing off doctrine literally extends the duration of copyright, for of course it does not. When a copyrighted work enters the public domain, it is open for any use by any party. Neither the Lanham Act nor state unfair competition law can extend copyright protection. But the expiration of the exclusive rights protected by the Copyright Act does not create a license to market public domain works in a manner likely to deceive consumers. A party selling such works may not build its reputation by falsely representing to consumers that it authored works actually created by others. For example, though anyone can publish a new edition of Leo Tolstoy's *War and Peace*, or make a film or a derivative work based upon it, an aspiring novelist could not rename that book *War in Russia* and sell it under his own name. A misrepresentation of this kind would cause people who already owned *War and Peace* to buy the "new" novel, and would deceive others unfamiliar with Tolstoy as to the talent of the new novelist. Neither the First Amendment nor the Copyright Act countenances such deception. Purchasers of creative works, no less than consumers of other goods, are entitled not to be misled about the true source of products offered for sale. This cornerstone principle of the Lanham Act is neither novel nor controversial.

Implicitly recognizing this basic flaw in its argument, petitioner can only suggest that "ambiguous" requirements of attribution will have a chilling effect that will discourage the use of public domain works. Contrary to this suggestion, the decisions below neither create nor presuppose a right of attribution. Rather, the courts held that petitioner violated the Lanham Act by falsely and willfully taking credit for respondents' work, thereby misleading consumers.

Petitioner erroneously reads prior Ninth Circuit cases like *Montoro* and *LaMothe* as requiring attribution in all cases. In *Montoro*, the defendant removed the name of the lead actor from a film's credits, replacing it with the name of another actor. Because this erroneous and misleading attribution was likely to mislead consumers and to harm the actor, the court found a Lanham Act violation. But the court did not suggest that there was any freestanding right to attribution. In *LaMothe*, the defendant marketed a song as written by only one of its three composers. Again, the court found that this erroneous attribution was misleading and likely to cause harm, but did not suggest that attribution would have been necessary in the absence of the misleading partial attribution. In short, these cases do not require attribution in all situations; they simply make clear that when a party chooses to offer attribution, it must do so in a complete and accurate fashion. *See Cleary*, 30 F.3d at 1260 ("[T]he case law does suggest that the Lanham Act does not create a duty of express attribution, but does protect against misattribution."); 4 *McCarthy* § 27:85 ("[S]ince § 43(a) requires falsity, it only prohibits mis-attribution and is not a vehicle to require attribution in all cases").

A seller of public domain materials does not face the "chilling" ambiguities that petitioner seeks to conjure up. Such sellers are free to do whatever they like with creative works in the public domain, and need only avoid claiming authorship of someone else's work, and ensure that any attribution of credit is accurate. In any event, even if the reverse passing off doctrine could create ambiguities in some marginal applications, this is hardly the proper occasion to address such problems. This case involved no ambiguity, but rather a basic misrepresentation that petitioner created the Videos, when in fact it did not. The courts below did not impose any drastic disclosure requirements – they simply required truthful advertising. If the dire consequences described by petitioner ever come to pass, this Court will have the opportunity to correct them. But this is not such a case, and there is no basis for this Court's review.

CONCLUSION

For the foregoing reasons, the petition for certiorari should be denied.

Respectfully submitted,

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